

**WORK SESSION  
OF THE BRIGHAM CITY COUNCIL  
TO DISCUSS THE HORSE BUTTE WIND PROJECT/  
OTHER ENERGY PROJECTS  
MAY 20, 2010  
6:00 P.M.**

PRESENT:	Dennis Fife Bruce Christensen Ruth Jensen Tyler Vincent	Mayor Councilmember Councilmember Councilmember
ALSO PRESENT:	Dave Burnett Mary Kate Christensen Bruce Leonard	Director of Public Power City Recorder City Administrator
EXCUSED:	Scott Ericson Bob Marabella	Councilmember Councilmember

Jackie Coombs from Utah Association of Municipal Power Services (UAMPS) reported that the current legislation recommends that by 2025 20% of power be green if it is cost effective. UAMPS is developing a wind project as one of their green projects. If it works out, it will be less expensive than if they purchase it from someone who has already developed the project. They have not yet installed any towers. It is located 15 miles east of Idaho Falls. There are 23 UAMPS members currently participating. These members fund the project. Engineers, attorneys and environmentalists have been hired and are investigating the feasibility of the project. All property has been secured. They have approximately 100 acres they are leasing. The property already has a tower on it and it has been monitored since 2003. It has a very good wind pattern.

UAMPS is looking at a structured financing with CitiBank. This would allow them to take advantage of federal cash grants and tax incentives. It is estimated the project will cost \$230 million. This would be a 100 mega watts (MW) project. The output would cost \$73.60/MW hour at bus bar. They are currently looking at downsizing the project to 50 MW because they do not have participation for 100 MW. Brigham City's cost at 5 MW would be \$3,947.39/month or \$47,368/year. This is development costs and does not include financing costs. If Brigham City joins now, they would not have to pay any of the previous development costs

If UAMPS can get the financing by this summer, all the costs to continue development would go through the financing, so members would not have any out-of-pocket costs, other than UAMPS administrative costs, until the project begins and Brigham City begins receiving energy.

UAMPS has a contractor that is evaluating the site for placement of the towers.

Once a power sales contract has been completed, it will be an agreement for the life of the project. They are looking at a 25-year bond. UAMPS will own 100% of the assets and will sell 100% of the output to the project participants on a take-or-pay basis. The contract requires each participant to set its rates sufficient to repay UAMPS.

Each participant will get their entitlement share in energy as well and Renewable Energy Credits (RECs).

Bruce Leonard is the City's UAMPS representative. He gets one vote on the Board. Every participant gets one vote, no matter the size of the City.

The project output has to be assigned to a UAMPS pool. Once the wind starts releasing, it goes to the power pool. UAMPS would coordinate with Rocky Mountain Power to bring it to Brigham City. This would be coordinated on a daily basis. If Brigham City decides they want to sell their power to a third party, the Pool Project would do the marketing.

Ms. Coombs felt UAMPS' finalized power sales contract will be ready to send to members by mid-June and approved within two months. Financing should be in place by September 1. It is expected to be completed and the wind towers to be producing and receiving energy by the end of 2011. Mr. Leonard said the cost will be

approximately 5¢ a KW higher. However, RMP is going to raise their rates again in December, and WAPA is planning another increase.

Mr. Burnett said his concern is that the City is dependent on RMP. They could give the City a 5-year notice that they no longer want to give the City a contract. If they decide they want the power load to go somewhere else, and gives Brigham City five years to procure power from somewhere else, if Brigham City hasn't invested in any energy from another source it would leave the City looking at market prices.

Ms. Coombs said California is buying from developers and paying from 10-15¢ a KW because they have a renewable portfolio they have to comply with. This would provide Brigham City something that is renewable if it becomes mandated and not pay 10-15¢. Many member cities are planning to divest the power and resell it to California until they have to have it.

Mr. Leonard said there are only two cities on the same schedule - Brigham City and Price. RMP has already told Brigham City that they want to get rid of this rate schedule.

Mayor Fife said UAMPS also has a program where the City can participate in other projects, or submit a project. A possible is the methane collection. Ms. Coombs said Murray City currently participates in two methane projects that they are very pleased with.

UAMPS is also working with Green River to do waste heat. They have put a generator on their stations. These are both renewable projects and look very feasible. UAMPS is also looking at building an additional natural gas project as well as looking at existing coal fire power plants.

Mayor Fife suggested looking at a gas powered plant, especially because the resource could be in Brigham City. The footprint is very small for a gas powered plant, seven acres.

Councilmember Jensen asked who is responsible for the maintenance and upgrading of the plant. Ms. Coombs explained that UAMPS will enter into contractual obligations to construct the plant. When the construction is completed they will enter into an operations agreement with the facility to operate it. The 7% Brigham City pays to UAMPS will cover the cost of maintenance and upgrades.

The Council will schedule another work session to discuss this further. The meeting adjourned at 6:56 p.m.